

**MINUTES OF SPECIAL MEETING
OPEN SESSION
ILLINOIS GAMING BOARD
NOVEMBER 18, 2008
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Tuesday, November 18, 2008 a Regular Meeting of the Illinois Gaming Board (“Board”) was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Tuesday, November 18, 2008 at approximately 11:40 a.m. the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

At 11:40 a.m. on Tuesday, November 18, 2008, Member Gardner called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Pending Litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 12:35 p.m. The Board went into open session at 1:05 p.m.

APPROVAL OF MINUTES

Member Moore moved that **the Board approve the closed session minutes of its Regular Meeting of October 15, 2008, its Special Meeting of October 27, 2008 and its Special Meeting of October 29, 2008**. Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore moved that **the Board approve the open session minutes of its Regular Meeting of October 15, 2008, its Special Meeting of October 27, 2008 and its Special Meeting of October 28, 2008**. Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S REPORT –

Administrator Ostrowski stated that a Special Meeting will take place on the 25th of November so that each of the 3 finalists can make their 10th License presentations. Each finalist will be allowed 1 ½ hours for their presentation. On December 8, 2008 the Board will hold a Special meeting for public commentary.

OWNER LICENSEE ITEMS

Items for Initial Consideration –

- MGM – MGM Mirage's request to allow Nevada Landing Partnership as a Subsidiary Guarantor on Certain Debt
- Harrah's Operating Company, Inc. (HOC) – Waiver of the Two-Meeting Rule and Proposed Refinancing

Martha Sabol appeared before the Board asking for waiver of the Two-Meeting Rule.

Member Gardner asked Ms. Sabol to give a summary of Harrah's request in the proposed refinancing. Ms. Sabol stated that it would be an exchange of notes.

Based on a review of staff's investigation and recommendation, Member Gardner moved that **the Board deny Harrah's Operating Company, Inc.'s request to waive the two-meeting rule**. Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Gardner asked whether the representatives of Harrah's would be at the next meeting. Ms. Sabol stated that they were present now and would address the Board. Michael Cohen addressed the Board. Mr. Cohen stated that it is a private offering, cannot be disclosed in a public setting other than what was in the press release. Member Gardner stated that there were questions pertaining to the press release, but Harrah's did answer all the Board and staff's concerns at an earlier meeting.

Items for Final Action -

- Empress Casino – Approval of Capital Renovation and Upgrade Project

Richard Vitali addressed the Board to seek approval for Empress' \$50M renovation. Mr. Lance Foster also addressed the Board. Mr. Foster stated that goals have been established for 30% participation by MBE, WBE and DBE's in the construction project.

Member Winkler stated that he was pleased that there is a percentage goal for the project.

Pursuant to section 3000.230(d)(1)(f) of the Board's Adopted Rules Member Sullivan moved to **approve Empress Casino's \$50M Capital Renovation and Upgrade request conditioned on:**

- 1) Empress Casino submitting updates to the Administrator every 60 days on the status of construction and minority hiring related to the Capital Renovation and Upgrade; and**
- 2) submission of all project related contracts to the Administrator and approval of project related contracts as deemed necessary by the Board and/or Administrator.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore asked if there was any other information that the representatives from Empress would like to share with the Board. Mr. Vitali stated that the project will be underway by mid January, 2009.

- Harrah's Entertainment, Inc. – Dennis Gallagher, VP Chief Regulatory and Compliance Officer – Key Person – Motion Clarification

Based on a review of staff's investigation and recommendation, Member Winkler moved that **the Board approve Dennis Gallagher as a Key Person for Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino and Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino in his position as Vice President/Chief Regulatory and Compliance Officer at Harrah's Entertainment, Inc.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Casino Rock Island – Michael Ziemer, Director of Finance – Level One

Member Gardner congratulated Mr. Ziemer and wished him luck on the job that lies ahead of him with the expansion of Jumer's Casino Rock Island.

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Michael Ziemer as an Occupational Licensee Level 1 in the position of Director of Finance at the Jumer's Casino Rock Island in Rock Island, Illinois.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

General Manager Jim Milne addressed the Board referencing the opening of the new facility. Mr. Milne stated that everything is in order and has come together very well.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2'S & 3'S –

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve 65 applications for an Occupational License, Level 2, and 222 applications for an Occupational License, Level 3.**

Further, Member Sullivan moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend**

denial and either did not respond or provide additional information to rebut the recommendation.

1. Michael Moore;
2. Shelly A. McClenahan; and
3. Ronna M. Brown.

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

- Llermo V. Rogers – Occupational Licensee

Member Sullivan moved that **the Board direct the Administrator to issue a Notice of Denial to Llermo V. Rogers who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.** Chairman Jaffe seconded the motion. Member Moore voted in favor of the motion. Member Gardner and Member Winkler opposed the motion. The motion passed 3 to 2.

- Carl Edgar Ballard – Occupational Licensee

Member Moore moved to **approve Carl Edgar Ballard's application for an occupational license, Level 3.** Member Gardner seconded the motion. Member Winkler voted in favor of the motion. Chairman Jaffe and Member Sullivan opposed the motion. The motion passed 3 to 2.

- Melissa A. Klegman – Occupational Licensee

Member Gardner moved **to approve Melissa A. Klegman's application for an occupational license, Level 3.** Member Moore seconded the motion. Member Winkler voted in favor of the motion. Chairman Jaffe and Member Sullivan opposed the motion. The motion passed 3 to 2.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS –

- Lashonda Ferrell – Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved **that the Board issue a Disciplinary Complaint against Lashonda Ferrell, an occupational licensee, based upon her conviction for disorderly conduct by forging a check on the account of another person which facts constitute a crime of dishonesty.**

Further, Member Winkler moved that **the Board revoke Lashonda Ferrell's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Rose A. Cottrell - Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Rose A. Cottrell, an occupational licensee, due to her failure to disclose a May 3, 2008 arrest and a June 30, 2008 conviction.**

Further, Member Moore moved that **the Board suspend Rose A. Cottrell's occupational license for 7 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- JCM American Corporation – a Supplier Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against JCM American Corporation a Supplier Licensee because it failed to timely file with the Board its 2008 annual submission containing the information required by section 3000.240(h)(2) of the Rules.**

Further, Member Sullivan moved that **the Board fine JCM American Corporation in the amount of \$2,500.00. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARINGS/ALJ

- Request for Hearing – Jessica DeFrieze

Based on the review of staff's investigation and recommendation, Member Gardner moved that **Jessica DeFrieze's request for a hearing be denied. She has offered no facts that establish a prima facie case - that she disclosed a May 4, 2008 arrest for Domestic Assault.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

ADJOURNMENT -

At 1:30 p.m. Member Winkler motioned to adjourn while Member Gardner seconded the motion. All Members voted in favor to adjourn.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator